

# Market News

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Texas Natural Resource Conservation Commission, Recycling Market Development Program

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## Texas Newspapers Meet Recycled-Content Goal

Texas newspaper publishers fulfilled a legislative directive to use recycled-content newsprint two years early, according to a TNRCC report. More than 20 percent of the newsprint purchased by publishers in 1995 was recycled-content newsprint. Publishers responding to a TNRCC survey reported purchases of 662,422 metric tons of newsprint in 1995. Of that amount, 132,442 metric tons had recycled-content. Recycled-content newsprint, as defined by the TNRCC, is newsprint that its manufacturer certifies as containing at least 25 percent post-consumer fiber by weight. Post-consumer fiber is a feedstock made from paper that has been used as a consumer item (such as old newspapers and old magazines) and recovered through a recycling program.

The Texas Legislature passed the Omnibus Recycling Act in 1991 to increase demand for recycled-content newsprint, and to reduce the number of newspapers disposed in Texas landfills. The Legislature said at least 20% of the newsprint used by publishers should be recycled-content newsprint by the end of 1997. The goal increases to 30% in 2000. The Legislature directed the TNRCC to measure the progress toward the goal by compiling the annual reports submitted by publishers. For additional information, contact Rick Ramones at (512) 239-6816.

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## Buy Recycled Training Scheduled

The U.S. Conference of Mayors and the EPA Buy Recycled Training Institute will hold two one-day workshops in Austin, Wednesday, July 31 and Thursday, August 1. The workshops' purpose is to teach government purchasing professionals how to identify, purchase, and learn more about products made from recycled materials. These workshops will precede the National Institute of Government Purchasers (NIGP) Annual Convention being held in Austin, August 2 - 5. The local sponsor for the workshops is the Texas Recycling Market Development Board. Each workshop is limited to 50 participants and costs \$50 per person, with lunch and workshop materials provided. Purchasing officers will receive certification credit from NIGP. The workshops will be held at the Omni-Austin Hotel, 700 San Jacinto, 8:00 a.m. to 5:00 p.m.. For more information about the workshop, contact Terry Robinson at the Texas General Land Office, (512) 463-5344 or Richard Kochan at the U.S. Conference of Mayors at (202) 861-6773.

## Reasons for Weak Paper Markets

Just as few industry experts expected 1995 to be a record year for recovered paper prices, few predicted 1996 to be such a poor year. They are citing the following combination of circumstances for the dramatic drop in prices from mid-1995 levels:

1. New mill capacity did not come on line as quickly as expected; the start-up time for some new mills was longer than planned.

2. Export demand has dropped substantially. Exports of OCC to Mexico have helped stabilize that grade in Texas; however, demand by Mexican mills for other grades and orders by Asian mills have dropped.

3. Some end-users, like box plants and newspapers, became more efficient and reduced waste when prices for finished products were increased in 1995.

4. Recovered paper was scarce in 1995 and as buyers could, they built up inventory. When demand for finished product decreased, they began using inventory to feed their mills instead of purchasing as much recovered paper.

5. Even with new capacity coming on line, many other mills have taken extensive downtime during the first half of 1996, again reflecting the weak demand for finished products.

6. Virgin pulp prices have dropped and made recycled-content pulp a more expensive substitute.

Most paper manufacturers still expect to see the market rebound later in the year. At least one grade, OCC, appears to have reached a level of stability. While most industry sources think that we have reached the bottom of the market, few are willing to project exactly when markets will improve.

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## Industry Groups Object to "Wastepaper"

Three major paper recycling organizations have announced an effort to end the use of the term "wastepaper." Recognizing the commodity value of paper for recycling, the American Forest & Paper Association (AF&PA), the Institute of Scrap Recycling Industries Inc. (ISRI) and the Canadian Pulp & Paper Association (CPPA), now advocate the use of the terms "recovered fiber," "secondary fibers," "paper stock," "recovered fiber," and "scrap paper," instead of labeling paper a waste. Ironically, they made the announcements at the recent Wastepaper Conference in Chicago.



## Spotlight on: Poly-America Inc.

For 21 years, Poly-America Inc. in Grand Prairie has been recycling polyethylene and producing blown-film products. The company is now the largest manufacturer of construction sheeting in the country and the fastest growing manufacturer of trash bags. Poly-America accepts any natural-colored polyethylene (LDPE, LLDPE, and HDPE), including film sheeting, shrink wrap, stretch wrap, bags, hard scrap, chunks, lumps, purgings, regrinds, floorsweeps, scrap pellets and obsolete lots. Poly-America reprocesses over 200 million pounds of polyethylene each year and manufactures more than 1,300 different blown-film products under the "Husky" brand name. Recycling Coordinator Michael Lee says Poly-America's formula for success is based on consistent customer service. "Regardless of market conditions, we always buy from our established customers. They can count on it. Plus, we pick up at any location and guarantee payment within 30 days."

Poly-America's headquarters are in Grand Prairie and the company also has plants in Houston, Beaumont, and Minneapolis, Minn. The Houston plant collects post-industrial plastics from Gulf Coast resin producers, while the plant in Beaumont purchases from large resin producers in Texas and Louisiana. Already the largest recycler of polyethylene in the country, the company is expanding its Houston plant to triple its current size and has plans for plants in Nevada and South Carolina. Currently, Poly-America has approximately 900 employees in Texas. For more information, contact Michael Lee at (214) 647-4374.

## Texas Market Prices

(for the week of June 24, 1996)

| Material |                     | Processor Price    | End-User Price    |
|----------|---------------------|--------------------|-------------------|
| Aluminum | UBC (cans)          | \$0.24 - 0.42/lb ↓ | \$0.51/lb ↓       |
| Glass    | Flint               | 0 - 20/ton ↓       | 50 - 57/ton —     |
|          | Amber               | 0 - 15/ton ↓       | 40 - 59/ton —     |
|          | Green               | 0/ton ↓            | 15/ton —          |
| Paper    | OCC (cardboard)     | 10 - 40/ton —      | 50 - 60/ton —     |
|          | ONP (newspaper)     | 0 - 10/ton —       | 15 - 30/ton —     |
|          | White Ledger        | 30 - 60/ton —      | 85 - 110/ton ↑    |
|          | Mixed Paper         | 0 - 4/ton —        | 10 - 15/ton —     |
|          | Mixed Office Ledger | 10 - 20/ton —      | 40 - 65/ton —     |
|          | Computer Print-out  | 60 - 120/ton —     | 200/ton —         |
| Plastic  | PET (mixed colors)  | 0 —                | 0.09 - 0.11/lb —  |
|          | HDPE (natural)      | 0 —                | 0.12 - 0.135/lb ↑ |
|          | HDPE (mixed colors) | 0 —                | 0.05 - 0.07/lb ↑  |
| Steel    | Steel Cans          | 0 - 37/ton —       | 95/ton —          |

The prices listed above are compiled by the TNRCC Recycling Market Development Program and are for reference only. These prices are not firm quotes. TNRCC obtained pricing information from buyers within each category and developed a pricing range. "Processors" include dealers, brokers, scrap yards and collection centers; whereas, "end-users" include mills and plants. Processor prices are for delivered material in metropolitan areas of the state and do not reflect the value of any collection services. End-user prices, except for glass, are for baled material in truckload quantity, f.o.b. seller's dock. The difference between processor and end-user prices is indicative of the value added by separating, baling or otherwise preparing materials to meet end-market specifications. Actual prices paid by end-users will depend on quality, quantity and transportation requirements. Arrows indicate direction of change from previous month.

Market News is produced by the TNRCC Recycling Market Development Program. For more information about items in this newsletter, contact the Market Development Team at 512/239-6750 or at [ccollins@smtpgate.tnrc.state.tx.us](mailto:ccollins@smtpgate.tnrc.state.tx.us).

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## Market News Subscription Information

The most valuable tool for market development is good information. It's also the most cost effective. The TNRCC's Recycling Market Development Program publishes Market News, a free monthly supplement to the quarterly Texas Recycler, dedicated to bringing you the latest and best information available on markets for recovered materials.

Each month, Market News features articles about specific materials, highlighting individual market success stories and keeping you abreast of market trends. The Recycling Market Development staff want this publication to be truly useful, so don't hesitate to call them at 512/239-6750 with your suggestions and items of interest.

If you would like to receive future copies of Market News, please complete this coupon and fax to **512/239-6763** or mail to:

**Recycling Section/MC 114, Attn: Heidi Wittenborn,  
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